

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7800

BILL NUMBER: HB 1865

DATE PREPARED: Jan 20, 2001

BILL AMENDED:

SUBJECT: Medicaid Coverage for Breast and Cervical Cancer.

FISCAL ANALYST: Alan Gossard

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FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

X

IMPACT: State

Summary of Legislation: This bill expands Medicaid to include women screened and found to need treatment under the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. The bill allows presumptive eligibility for qualified women. The bill also appropriates funds from the state General Fund.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill expands eligibility for breast and cervical cancer treatment services under the Medicaid program to qualified women. Total additional expenditures are estimated to be \$905,000 to \$1.8 M for FY 2002 depending upon the computing system changes that may be required. Additional state expenditures for FY 2003 are estimated to be \$673,000, and \$818,000 for FY 2004. The bill also specifies that there is annually appropriated from the state General Fund an amount sufficient to fund this program.

Background: According to the Family and Social Services Administration (FSSA) and based on Congressional Budget Office estimates, the average treatment cost for cervical and breast cancer are about \$20,000 with ongoing care costs of \$6,000 per year until the death of the individual. In addition, abnormal PAP smears and precancerous tumors have an average treatment cost of \$1,000 to \$2,000.

Data from the State Department of Health (SDH) Breast and Cervical Cancer Early Detection program reports cancer rates to be 2% for breast cancer, 0.08% for cervical cancer, and 2.80% for abnormal PAP smears and precancerous tumors. SDH also estimates that 4,250 women will be screened in FFY 2001 and in years following.

FSSA estimates total care costs under the program to be \$2.018 M for FY 2002, \$2.532 M for FY 2003, and \$3.080 M for FY 2004. With a required state match of 26.57%, state expenditures would be \$536,000 for FY 2002, \$673,000 for FY 2003, and \$818,000 for FY 2004. (This represents federal funds of about \$1.482

M in FY 2002, \$1.859 M in FY 2003, and \$2.262 M in FY 2004.)

FSSA reports that system changes will be required of the Indiana AIM (AIM) and the Indiana Client Eligibility System (ICES). Total start-up costs are estimated to range from \$950,000 to \$3.25 M in the first year. Based on a state match of 38.81%, state expenditures would range from \$369,000 to \$1.261 M in FY 2002. According to FSSA, due to the specifications for service coverage provided in the bill, system changes will likely tend toward the higher estimate.

Explanation of State Revenues: See Explanation of State Expenditures, above, regarding federal financial participation.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Kathy Gifford, OMPP, (317) 233-4455.